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Attorneys for Defendant  
REGAL STONE, LTD.

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

Chelsea, LLC, Mark Russo, Allen	) Case No. C-07-5800-SC
Loretz, and Ivan Simpson, individually	)
and on behalf of all others similarly	) <b>DECLARATION OF CYNTHIA</b>
situated,	) <b>HUDSON IN SUPPORT OF REGAL</b>
	) <b>STONE LTD.'S OPPOSITION TO</b>
	) <b>PLAINTIFFS' MOTION FOR ORDER</b>
Plaintiffs,	) <b>TO SHOW CAUSE WHY A</b>
	) <b>PROTECTIVE ORDER TO</b>
vs.	) <b>SUPERVISE OR OTHERWISE LIMIT</b>
	) <b>COMMUNICATIONS WITH</b>
Regal Stone, Ltd., Hanjin Shipping,	) <b>PUTATIVE CLASS MEMBERS</b>
Co., Ltd., Conti Cairo KG, NSB	) <b>SHOULD NOT ISSUE</b>
Neiderelbe, Synergy Maritime, Ltd. <i>In</i>	)
<i>Personam</i> ; M/V Cosco Busan, their	)
engines, tackle, equipment	) Courtroom: 1, 17 <sup>th</sup> Floor
appurtenances, freights, and cargo <i>In</i>	) Honorable Samuel J. Conti
<i>Rem</i> ,	)
	)
Defendants.	)

I, CYNTHIA A. HUDSON, declare under penalty of perjury as follows:

1. I am Senior Vice President of Hudson Marine Management Service  
("HMMS"). I have personal knowledge of the matters set forth in this Declaration, and if

1 called to testify, I could and would competently testify to those matters.

2  
3 2. HMMS provides, among other services, services relating to marine  
4 management, marine casualties and claims and environment management. The scope of  
5 services encompasses most aspects of marine casualties and claims support. Over the  
6 last four years, our team has responded to more than 90 marine incidents.

7 3. The Oil Pollution Act of 1990 ("OPA 90") requires that the Responsible  
8 Party for an oil spill establish a claims process to provide compensation to individuals  
9 who have suffered damages as a result of the oil spill. With respect to the November 7,  
10 2007 M/V COSCO BUSAN oil spill, it is my understanding that the Responsible Party is  
11 the shipowner, Regal Stone, Ltd. HMMS was retained by Regal Stone's third party  
12 insurer to audit and monitor clean up operations and process claims in accordance with  
13 OPA 90 and the federal regulations promulgated under that statutory scheme.

14  
15 4. In accepting, rejecting and processing claims through the claims process,  
16 HMMS receives no direction from Regal Stone or any of the other Defendants in this  
17 matter.

18 5. Within a day and a half of the oil spill incident, on November 9, 2007, an  
19 800 number had been established and was being advertised in order to inform claimants  
20 of their right to submit claims for damages. Subsequently, advertisements were made in  
21 the following publications: Oakland Tribune, San Francisco Chronicle, and Marin  
22 Independent Journal. Flyers were also distributed throughout affected marinas.  
23 HMMS has affirmatively reached out to government entities and municipalities and to  
24 claimants that have reported to HMMS but never submitted the required documentation  
25 in order to educate affected individuals of their right to obtain relief. Since November 9,  
26 HMMS has been receiving and processing claims every business day between 9:00 am  
27 and 5:00 pm.

1           6.     In determining an appropriate claims process, HMMS collaborated with a  
2 number of industry experts such as Natural Resource Consultants ("NRC"), as well as  
3 attorneys representing groups of potential claimants. We are working with  
4 approximately 9 attorneys representing over 196 claimants to discuss a process to  
5 resolve their clients' claims. Those attorneys were extremely helpful in creating a  
6 process to be used to fairly and expeditiously process claims.  
7

8           7.     As a result of this collaborative process, it was determined that in order to  
9 validate a claim, claimants must "prove up" their history of participation in the District  
10 10 fishery or to provide other relevant supporting documentation. Lists of needed  
11 documentation have been created for the various classes of potential claimants.  
12

13           8.     To date, approximately 250 crab boat owners/operators have submitted  
14 claims. No less than 40 crewmembers have submitted claims, and at least 11 leading  
15 processors have submitted claims.  
16

17           9.     If HMMS is contacted by a claimant whom we know to be represented by  
18 counsel, we instruct that individual that we can not speak with them directly without  
19 their counsel present, but we encourage them to have their counsel contact us to submit  
20 their claim.  
21

22           10.    I met by telephone with Mr. Audet, counsel for Plaintiffs in this action. I  
23 explained the claims process thoroughly to Mr. Audet, including documentation needed  
24 and the requirements for obtaining prepayments. I told Mr. Audet clearly that, by  
25 submitting claims to the claims process, his clients would not forgo the right to litigation  
26 of any unsettled claim or for long term damage to crab population/fishery, if any .  
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28           11.    While the models were being developed and tested, it became apparent  
that the local boat owners were being caught in a financial squeeze from the season

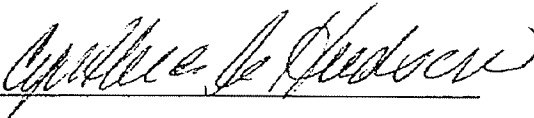
1 opener loss. In order to provide timely assistance and to demonstrate that the  
2 Responsible Party was committed to effectuating prompt settlements, HMMS proposed a  
3 prepayment plan to crab boat owners/operators. The purpose of the pre-payment was to  
4 provide immediate relief to affected crab boat owners/operators and minimize potential  
5 and actual litigation effort. To date, 71 boat owners received prepayments which will be  
6 credited against their final settlements in a total amount of over \$611,000.  
7

8 12. In order to qualify for a prepayment, claimants are required to agree to  
9 proceed through the claims process until such time as they receive an offer of resolution  
10 or until their claim is rejected. Under OPA '90, Claimants are required to first submit  
11 their claim to HMMS. If a claimant receives an offer from HMMS and rejects it, he or  
12 she is then free to submit his or her claim to the National Pollution Fund for resolution  
13 or proceed in a lawsuit. By accepting the prepayment, claimants are not foregoing his or  
14 her opportunity to file a lawsuit; rather they are making a good faith commitment to  
15 attempt to resolve their claims through the claims process. Claimants who have already  
16 filed litigation are entitled to submit a claim through the claims process, but are not  
17 entitled to a prepayment unless they and their attorneys agree to make a good faith  
18 attempt to resolve their claim through the claims process.

19 13. The United States Coast Guard ("USCG") is also very involved in this  
20 process. In fact, HMMS submits a daily/weekly report to the USCG Incident Command  
21 Center with respect to claims submitted and resolved. Further, the USCG, through  
22 Federal On Scene Commander ("FOSC") Captain Paul Gugg (and various of  
23 Unified/Incident Command representatives), have been provided with extensive  
24 information regarding the claims process and efficacy. If at any time the USCG or  
25 National Pollution Funds Center ("NPFC") is unhappy with the claims process  
26 established by HMMS, the USGC/NPFC can unilaterally take over the claims process.  
27 It is my understanding that the USCG has informed the NPFC that the claims process  
28

1 in satisfactory. Seven days ago, I presented personally to the NPFC in Washington D.C.  
2 with a detailed report regarding the claims process, the requirements to submit a claim,  
3 the need and requirements for prepayments, the documentation needed for final  
4 resolution and the efficacy of the claims process. I have never been told nor has it ever  
5 been inferred to me that the claims process established by HMMS is viewed by the  
6 USCG or the NPFC as anything less than exemplary.  
7

8 Executed this 23<sup>RD</sup> day of January, 2008, in Emeryville, California. I declare  
9 under penalty of perjury under the laws of the State of California and the United States  
10 that the foregoing is true and correct.  
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14 Cynthia A. Hudson  
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